INFORMATION TECHNOLOGY INDUSTRY COUNCIL

July 2, 1999

Ms. Magalie Roman Salas
Office of the Secretary
Federal Communications Commission
Portals II
445 12th St. S.W., Suite TW-A325
Washington D.C. 20554

Dear Ms. Salas:

I am enclosing an original and four copies of the Information Technology Industry Council's (ITI's) comments for Common Carrier Docket No. 99-216, related to Deregulation/Privatization of Equipment Registration and Telephone Network Connection Rules (47 C.F.R. Part 68).

ITI would like to nominate two potential panelists for the Commission's July 12-13 public fora on this topic:

Mr. Stan Roberts
Manager, Regulatory Compliance
Cisco Systems, Inc.
170 West Tasman Drive
San Jose, Calif. 95134-1706

Mr. John Godfrey
Director, Technology Policy
Information Technology Industry Council
1250 Eye St. N.W. #200
Washington, D.C. 20005

With regards,

John M. Godfrey

1250 EYE STREET, NW SUITE 200 WASHINGTON, DC 20005
(202) 737-8888 FAX (202) 638-4922
http://www.itic.org

Before the

Federal Communications Commission

Washington, DC 20554

In the Matter of	)	
	)	
Public Fora on	)	
Deregulation/Privatization of Equipment	)	CC Docket No. 99-216
Registration and Telephone Network	)	
Connection Rules (47 C.F.R. Part 68)	)	

Comments of the Information Technology Industry Council (ITI)

for the
Public Fora on Deregulation/Privatization of Equipment Registration and Telephone Network Connection Rules (47 C.F.R. Part 68)

Federal Communications Commission
Washington, D.C.
July 12-13, 1999

The Information Technology Industry Council(ITI)[1] is pleased to participate in the Federal Communications Commission's review of its equipment registration and telephone network connection rules, 47 C.F.R. Part 68. The Commission's review of these rules provides an opportunity to discuss ways to facilitate entry of the latest information technology and telecommunications equipment (ITTE) into the market through significant streamlining of regulations.

Summary of recommendations

1. The detailed technical requirements within Part 68 should be replaced with industry-developed consensus standards. Movement toward private sector standardization of network attachment technical requirements is in the public interest. With the participation of all materially interested parties, including the

1 ITI represents the leading providers of information technology goods and services. ITI members' worldwide revenue exceeded $440 billion in 1998 and members' direct employment exceed 1.2 million. Additional information about ITI can be accessed at www.itic.org.

Commission, a technical consensus on the essential requirements and most effective methods for reducing risks of harm to the network can be reached and documented as formal standards.

2. Equipment approval based on Registration should be replaced with Verification. The availability of the latest information and telecommunications technology to the American public can be enhanced through a streamlined approval process. This process, Verification, is already contained in the Commission's Part 2 rules for approval of equipment with respect to radio frequency interference. The Verification process corresponds to what is known internationally as supplier's declaration of conformity, defined and described in International Organization for Standardization/International Electrotechnical Commission (ISO/IEC) Guide 22, "General Criteria for Supplier's Declaration of Conformity."

Regulatory model: One Standard - One Test, Supplier's Declaration of Conformity (1-1SDoC)

The use of Verification for approval of ITTE for network attachment fits directly within a worldwide model for regulations promoted by ITI and worldwide industry through the International Information Industry Congress (IIIC). Under this model, called "One Standard-One Test, Supplier's Declaration of Conformity" (1-1SDoC), products would be tested one time against the applicable technical criteria and be accepted everywhere as conforming to those criteria.

One Standard. Worldwide, the information technology industry has a proven track record in providing state-of-the-art products that meet technical requirements for network connection, electromagnetic interference (EMI), and safety, among others. For EMI and safety, international standards from the International Electrotechnical Commission (IEC) provide worldwide consensus on technical criteria that minimize risks. The technical consensus process that produced these standards draws on world-leading technical expertise and provides for strong, balanced, scientifically sound technical standards.

Private sector leadership in the development of standards, through an open process involving all materially interested parties, including government, would foster technical consensus on the essential requirements for reducing risks of harm to public networks. It would facilitate the dissemination of information, through formal standards and supplementary technical guides, on best practices for meeting the requirements. It would enable the continual maintenance and updating of technical requirements to reflect advances in technology.

One Test. As long as U.S. and worldwide standards for network attachment are compatible, testing to the Commission's Part 68 standards can be performed concurrently with testing to global requirements. This eliminates the need for duplicative testing and certification, significantly reducing the time required to

bring new products and new technologies to market. Time to market is critical in the fast-moving information technology industry, in which product can have life cycles as short as a few months before they are replaced with newer offerings. The elimination of redundant testing benefits consumers through reduced cost and greater availability of technology.

Verification. Extending the existing Verification procedure in 47 C.F.R. Part 2 to include approval of equipment subject to network attachment requirements, the Commission would hold suppliers accountable for taking all necessary steps to ensure that equipment they place on the market conforms to the requirements. Eliminating the detailed prior approval involved in the Commission's present Registration procedures would dramatically reduce the time to market for new information and telecommunications technologies.

Streamlining will facilitate international trade

By simplifying network attachment approval and strengthening post-market enforcement, the Commission can align the U.S. market with emerging regulatory practice in other parts of the developed world. This will eliminate differing national requirements and removing unnecessary costs in conformity assessment. For example, the European Union's Radio and Telecommunication Terminal Equipment Directive, which becomes operational in 2000, is based on supplier's declaration of conformity to network attachment requirements, as are the Australian Communications Authority's regulations.

In much of the developing world, such as China and Latin America, however, there is a growing trend toward duplicative and costly product testing and certification requirements for information technology and telecommunications products, without evidence of benefit to consumers or the governments that impose them. These requirements create unnecessarily complex regulatory structures which manufacturers must meet in multiple markets. ITTE must undergo redundant tests against requirements for which the products have already been tested. Duplicative testing and certification requirements cause delays in bringing products to market and add to consumer costs.

To combat this trend, the Commission can set a positive example for emerging markets, many of which (such as Brazil) have only recently privatized their national telecommunications monopolies and are now establishing new regulatory regimes for equipment approval. It is no exaggeration to state that regulators in many parts of the world look to the Commission as an example for modern regulatory practice. Commission rules, as well as Commission staff who participate in international conferences and symposia and have informal contacts with their peers in these countries are influential in guiding the path of regulation in emerging markets. For both small and large manufacturers of ITTE, who must market products globally to remain competitive, the trend that the Commission sets will reach far beyond U.S. borders.

Another means to promote trade is consensus standards setting. Manufacturers prefer to design products to meet internationally accepted standards and suites of standards so that one version of a product can be accepted worldwide. However, there are at present no universally accepted international standards for network attachment. A single international standard for network attachment, while desirable in theory, may be impossible to develop for some time because of significant differences in the installed telecommunications infrastructure of different regions of the world.

Fortunately, the present Part 68 technical criteria facilitate international trade because nothing in these criteria precludes the production of equipment that meets both U.S. and other countries' network attachment requirements. Manufacturers can design and produce a single version of most ITTE in order to gain approval in multiple global markets for attachment to telecommunications networks.

Any revision of the Part 68 technical requirements should maintain the basic technical compatibility, or lack of direct conflict, between U.S. and global network attachment requirements. This goal would be readily achievable within a private-sector led consensus standards process, where relevant technical information about North American and global network infrastructures would be taken into account.

Streamlining will strengthen confidence and enforcement

The Commission is responsible for ensuring that any streamlining of the network attachment requirements does not result in increased risk of harm to the network. In fact, streamlined rules based on consensus technical standards, competent testing, and approval through the Verification procedure will reduce risks of harm.

- Confidence in standards: The most important element in reducing the risk of harm to the network is a clearly understood set of technical requirements grounded in sound engineering principles. Private sector led technical consensus as the basis for requirements, with the participation of the Commission, telecommunications carriers, ITTE manufacturers, users, and other interested parties, will yield standards that reduce risk, permit innovation, and keep pace with the evolution of technology.

- Confidence in testing: In the 1-1SDoC model, conformity is based on product testing performed by the manufacturer or an independent party. This testing is performed in a technically competent laboratory. One measure of laboratory competence accepted worldwide is the international guide for testing laboratories, Guide 25 from the International Organization for

Standardization (ISO) and the IEC. (A draft standard based on this guide, ISO/IEC 17025, is under development.) Voluntary compliance with ISO/IEC Guide 25 is a way that many manufacturer laboratories and independent laboratories have chosen to ensure their technical competence.

- Accountability and enforcement: Approval by means of Verification will not remove suppliers' responsibility to ensure their products are safe to attach to the public networks. Verification holds the supplier fully accountable for the compliance of products. In the 1-1SDoC model, documentation associated with a product indicates who is responsible and liable for compliance. Documentation could take multiple forms, such as a label, a statement in the product user manual, a paper insert, a Web page or electronic database, or several elements in combination.

  Verification would move the Commission away from performing a time-consuming pre-market review and approval of all equipment. This would enable the Commission to allocate its resources more efficiently to improve the protection of public telecommunications networks from harm. The personnel and other resources that currently must be devoted to processing Registrations of ITTE, nearly all of which is produced by responsible manufacturers and meets the Part 68 requirements, could be focused on enforcement of the Commission's rules. More resources could be devoted to finding the bad actors, by concentrating on customer complaints, incidents in the field, and post-market surveillance.

Testing in accredited laboratories should be voluntary, not mandatory

ITI strongly recommends that the Commission not require, as a regulatory mandate, that manufacturers test products in formally accredited laboratories. Mandatory accreditation would add unnecessary complexity and cost, reducing the benefits of streamlining without enhancing protection of the network. Moreover, experience with the Commission's "Declaration of Conformity" procedures (approval of Class B computers and peripherals with respect to Part 15 EMI regulations) suggests there are significant drawbacks associated with making accreditation mandatory.

1. Mandatory accreditation would be an unnecessary departure from the current practice. The Registration procedure in Part 68 involves a review by the Commission of test data presented by the equipment's manufacturer. The rules do not require testing in a formally accredited laboratory. The Commission has not alerted industry of any pervasive problems with the quality of testing over the years that Part 68 has been in effect. This reflects the substantial experience and expertise that manufacturers and independent laboratories have acquired through years of testing equipment against the Part 68 regulations.

The current network attachment regulations in Australia and the regulations that take effect in 2000 throughout the European Union also permit testing of most ITTE to be performed in any competent laboratory at the supplier's discretion. Testing in an accredited laboratory is not mandatory.

2. Laboratories would have to obtain costly new accreditations. Because the current Part 68 Registration requirements do not require accreditation of telecommunications testing laboratories, most laboratories have not obtained accreditation. This is particularly true of manufacturers' in-house laboratories, which generally do not need a formal accreditation in order to attract customers. To the extent that these laboratories are highly competent and experienced, many of them with more than two decades of testing customer premises equipment for the competitive market, the substantial time and resources required to obtain a new accreditation would not add value.

3. In a global market, mandatory accreditation leads to multiple, redundant accreditations. In a global manufacturing industry such as information technology and telecommunications, products are produced and marketed worldwide. For efficiency, products typically are tested in the region where they are produced. There is at present no worldwide agreement for mutual acceptance of laboratory accreditation. Therefore, for the Commission to accept testing only if performed in formally accredited laboratories, it would be necessary to put in place a vast array of bilateral and regional mutual recognition arrangements between the U.S. and other countries. Negotiating and implementing these agreements takes significant time and resources from both the government and industry, and could not be completed for many years.

The ongoing delay in completing and implementing these agreements for EMI regulations has already delayed the availability of some information technology products to U.S. consumers. This includes products from U.S. manufacturers who produce and test many products and components in other parts of the world. These manufacturers and laboratories are unable to make full use of the Commission's "Declaration of Conformity" procedure for Class B computers and peripherals, which requires testing in an accredited laboratory, until agreements can be implemented that link U.S. accreditors with accreditors in the countries where testing is performed.

Moreover, as emerging economies around the world emulate the Commission's example, a mandatory accreditation requirement would be replicated in those markets, potentially increasing barriers to U.S. exports and requiring negotiation of additional mutual recognition arrangements.

4. Mandatory accreditation is not necessary to encourage manufacturers to select competent laboratories. Because suppliers are legally responsible and accountable for the compliance of their products to regulations, it is in their interest to choose laboratories whose competence and integrity they trust.

Voluntarily, for sound business reasons, some will choose to perform tests in an accredited independent laboratory or gain accreditation for their in-house laboratory. The stronger the Commission's enforcement of penalties against bad actors who violate the rules, the more effective this incentive will be in ensuring that testing is performed in competent laboratories.

Conclusion

The public interest in efficient, rapid access to critically important technologies can best be enhanced through private sector leadership in consensus standard setting, competent testing in laboratories of the supplier's choosing, and streamlined approval with supplier accountability through the Verification process.

ITI and the leading information technology companies we represent are ready to work with the Commission to develop new technical standards for protecting the public interest in reducing risks of harm to the telecommunications networks and new, streamlined procedures for approving products that meet those requirements.